

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

"RECEIVED"
APR 30 4 29 PM '99
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

RENEWAL OF CLASSIFICATION AND FEES FOR
WEIGHT-AVERAGED NONLETTER-SIZE
BUSINESS REPLY MAIL, 1999

Docket No. MC99-1

MOTION FOR CONSIDERATION OF REVISED STIPULATION AND AGREEMENT
(April 30, 1999)

The United States Postal Service and each of the signatories to this motion (collectively, with the Postal Service, the "settlement parties") hereby submit an executed Revised Stipulation and Agreement, representing a negotiated settlement by the signatories of all issues raised in this proceeding.¹ The settlement parties request that the Postal Rate Commission issue an opinion and recommended decision which is based upon the evidentiary record developed in this proceeding and which incorporates the Domestic Mail Classification Schedule and Fee Schedule changes contained in the Attachment which accompanies the Revised Stipulation and Agreement.

There have been off-the-record settlement discussions among the parties to this proceeding.² Although the Postal Service believes that there is substantial record evidence to support the Domestic Mail Classification Schedule and Fee Schedule

¹ This Revised Stipulation and Agreement supersedes the Stipulation and Agreement originally submitted in this proceeding on March 10, 1999.

² The first settlement conference was held on April 6, 1999, in accordance with PRC Order No. 1223 (March 16, 1999). The second conference was held on April 20, 1999, following a technical conference scheduled that day. In addition to telephone discussions and e-mail message exchanges, all parties of record (or their counsel) received correspondence from the Postal Service, dated May 22, 1999, requesting that they either become signatories to the Revised Stipulation and Agreement or that they not oppose it.

changes which accompanied its March 10, 1999, Request in this proceeding, the Postal Service acknowledges that the same record provides substantial evidence to support the alternative changes reflected in the Attachment to the Revised Stipulation and Agreement.³ Accordingly, the Postal Service joins the other settlement parties in urging the Postal Rate Commission to adopt the classification and the alternative fee proposals reflected in that Attachment. The following parties, all full participants in this proceeding, have authorized the Postal Service to represent that each supports, without reservation, the Revised Stipulation and Agreement: District Photo, Inc.; Mystic Color Lab; Seattle FilmWorks, Inc.; Time Warner, Inc.; York Photo Labs.⁴ The following limited participators in this proceeding have authorized the Postal Service to indicate that not one of them opposes the Revised Stipulation and Agreement: Advertising Mail Marketing Association, Brooklyn Union Gas Company, Mr. Douglas Carlson, Key-Span Gas East Corporation, Long Island Power Authority, and Mr. David Popkin. The Office of the Consumer Advocate has indicated that it will join the other full participants in support of the Revised Stipulation and Agreement.

³ The material changes between the original proposal and the proposal agreed to by the settlement parties are as follows. The original proposal requested that the current fees applicable to weight-averaged nonletter-size Business Reply Mail continue in effect for the duration of the experiment extension: set-up/qualification -- \$3000; monthly -- \$3000; per-piece -- 3 cents. In contrast, the settlement proposes to eliminate the set-up/qualification fee altogether, to reduce the monthly fee to \$600, and to reduce the per-piece fee to 1-cent, for the duration of the experiment extension. These changes are reflected in the Attachment to the Revised Stipulation and Agreement.

⁴ Appended to the Revised Stipulation and Agreement are facsimile copies of their signature pages. Upon receipt of the original versions of their signature pages, the Postal Service will file them with the Commission.


Given the sometimes competing interests of the various members of the mailing community, unanimity on issues before the Postal Rate Commission is understandably rare. The Postal Service considers that the interests of the mailing public are best served best when diverse parties take full advantage of opportunities to work constructively to expedite the resolution of postal rate and classification litigation in a manner which not only conserves their own resources, but also the limited resources of the Commission. The Postal Service expresses its gratitude to all of the parties responsible for the development of this proposed resolution of Docket No. MC99-1, especially the Office of the Consumer Advocate

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
April 30, 1999
(Tel: (202) 268-2998/ FAX: -5402)

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RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
FEES FOR WEIGHT-AVERAGED NONLETTER-SIZE
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This Revised Stipulation and Agreement is submitted pursuant to Rule 29 of the Rules of Practice and Procedure of the Postal Rate Commission, 39 C.F.R. § 3001.29, by and between the undersigned parties or through their respective attorneys. It is a negotiated settlement of all issues raised in the above-captioned docket. The undersigned parties hereby stipulate and agree to the following:

I. BACKGROUND

On March 10, 1999, pursuant to 39 U.S.C. §§ 3622 and 3623, the United States Postal Service filed with the Postal Rate Commission a request for a decision recommending renewal of the existing experimental nonletter-size Business Reply Mail (BRM) classification and fees for which the accounting function is performed through the use of a weight averaging method. The request was designated as Docket No. MC99-1 by the Commission. The existing classification and fees for weight-averaged nonletter-size BRM were implemented by the Postal Service, on June 8, 1997, after approval by the Postal Service Governors¹ of the April 2, 1997, recommended decision

¹ See Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on the Experimental Nonletter-

of the Commission in Docket No. MC97-1. The existing experimental classification and fees are due to expire on June 7, 1999.

For the reasons explained in the Docket No. MC99-1 testimony of its witness, James Kiefer (USPS-T-1), the Postal Service requested that it be permitted to continue the weight averaging portion of the experiment until February 29, 2000, or until the permanent classification and fees which result from the litigation of Docket No. MC99-2² are implemented, whichever comes first.

II. TERMS AND CONDITIONS

1. This Revised Stipulation and Agreement represents a negotiated settlement of all issues raised by the Docket No. MC99-1 Request of the United States Postal Service for a Recommended Decision on Renewal of Experimental Classification and Fees For Weight-Averaged Nonletter-Size Business Reply Mail.

2. The undersigned parties agree, for purposes of this proceeding only, that the Docket No. MC99-1 direct testimony of Postal Service witness James Kiefer (USPS-T-1),³ which was entered into the evidentiary record on April 6, 1999, (Docket No. MC99-1, Tr. 1/14-15), and witness Kiefer's responses to interrogatories in this

Size Business Reply Mail Categories and Fees, Docket No. MC97-1 (May 5, 1997).

² On March 10, 1999, under 39 U.S.C. §§ 3622 and 3623, the Postal Service filed a request with the Commission, designated as Docket No. MC99-2, seeking to establish a permanent classification and fees for weight-averaged nonletter-size Business Reply Mail.

³ And any materials incorporated therein by reference.

docket,⁴ and the Postal Service's Docket No. MC99-1 Request and the attachments thereto, provide sufficient reasons and substantial evidence justifying a decision recommending changes (at the end of the existing experiment expiring June 7, 1999) to the Domestic Mail Classification Schedule (DMCS) § 931 and the DMCS Fee Schedule 931 sought by the Postal Service in Docket No. MC99-1, as amended by the DMCS and Fee Schedule provisions appended to this Revised Stipulation and Agreement. The undersigned parties stipulate that any of the aforementioned materials not heretofore entered into the Docket No. MC99-1 evidentiary record be so entered.

3. On the basis of such record, for purposes of this proceeding only, the undersigned parties stipulate that the DMCS and Fee Schedule changes set forth in the Attachment to this Revised Stipulation and Agreement are in accordance with the policies of title 39, United States Code, and in particular, the criteria and factors of 39 U.S.C. §§ 3622 and 3623.

4. This Revised Stipulation and Agreement is offered in total and final settlement of this proceeding. The undersigned parties agree that they will file no further pleadings or testimony with the Commission in this proceeding, with the exception of: (a) pleadings or testimony explicitly requested by the Commission or in reply to such pleadings; (b) pleadings or testimony opposing pleadings or testimony filed in opposition to this Stipulation and Agreement; or (c) pleadings, testimony or comments in support of this Stipulation and Agreement.

⁴ The April 5, 1999, responses to OCA/USPS-T1-1 through 7; the April 7, 1999, responses to OCA/USPS-T1-8 through T1-18; and the April 16, 1999, responses to OCA/USPS-T1-19 through T1-32 (as amended on April 26, 1999), all of which have been filed with the Commission and served on the parties.

5. If the Commission adopts a Recommended Decision that deviates from the classification and fees proposed in this Revised Stipulation and Agreement, or if the Governors of the Postal Service fail to approve the Commission's Recommended Decision, then each signatory reserves the right to withdraw from this Revised Stipulation and Agreement. Any signatory withdrawing under the terms of this paragraph must provide written notice of this fact to all parties within five (5) business days of the occurrence of the specific event giving rise to the right to withdraw. Any exercise of such right by one or more signatories shall not affect the operation of this Revised Stipulation and Agreement as to other signatories.

6. This Revised Stipulation and Agreement pertains only to the instant proceeding and does not extend to merits of the concurrent Docket No. MC99-2 proposal to establish a permanent classification and fees for weight-averaged nonletter-size Business Reply Mail. The parties shall not be considered as necessarily agreeing with or conceding the applicability of any principle, or any method of classification or ratemaking or cost of service determination, or design of rate or fee schedule or term, and conditions of service, or the application of any rule or interpretation of law, that may underlie, or be thought to underlie, this Revised Stipulation and Agreement.

7. In any future negotiation or proceeding (other than any proceedings involving the honoring, enforcement, or construction of this Revised Stipulation and Agreement), the parties shall not be bound or prejudiced by this Revised Stipulation and Agreement, nor shall any party rely for any purpose on the fact that another party entered into or did not oppose this Revised Stipulation and Agreement. The undersigned parties also agree that, to the extent that matters presented in the Docket

No. MC99-1 Request, in any Commission Recommended Decision on that Request, or in any decision of the Governors of the Postal Service in this proceeding have not actually been litigated, the resolution of such matters will not be entitled to precedential effect in any other proceeding.

8. As fully stated above, the agreement of the parties is intended to relate exclusively to the specific experimental weight-averaged nonletter-size Business Reply Mail proposals reflected in the proposed Domestic Mail Classification Schedule and Fee Schedule provisions appended hereto, and is not intended to bind or prejudice the parties in any other proceeding. This understanding of the intended consequences of the agreement applies equally to all constituent parts of the agreement.

9. The undersigned parties request that the Commission expeditiously issue a decision recommending adoption of the DMCS and Fee Schedule provisions appended to this Revised Stipulation and Agreement, and that such decision propose that the applicable classification and fees be made effective for the extension of the experiment.

10. This Revised Stipulation and Agreement represents the entire agreement of the signatories, and supersedes any understandings or representations not contained herein.

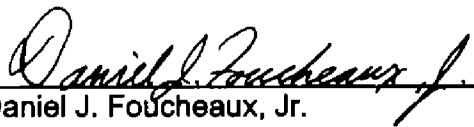
* Signature pages are attached.

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BUSINESS REPLY MAIL, 1999

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SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT


Daniel J. Foucheaux, Jr.
Chief Counsel, Rate-making
United States Postal Service

April 30, 1999
Date

BEFORE THE
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RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
FEES FOR WEIGHT-AVERAGED NONLETTER-SIZED
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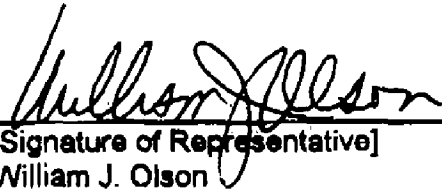
SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

District Photo Inc.

Name of Intervenor

4/29/99

Date



[Signature of Representative]
William J. Olson
John S. Miles
Alan Woll
John Callender
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3823
(703) 356-5070

Counsel for District Photo Inc., York Photo Labs,
Mystic Color Lab, and Seattle FilmWorks, Inc.

BEFORE THE
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RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
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BUSINESS REPLY MAIL, 1999

DOCKET NO. MC99-1

SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

Mystic Color Lab
Name of Intervenor

4/29/99
Date



[Signature of Representative]

William J. Olson
John S. Miles
Alan Woll
John Callender
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
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Counsel for District Photo Inc., York Photo Labs,
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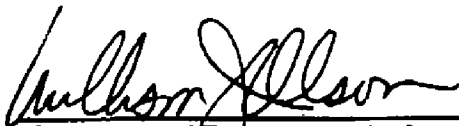
SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

Seattle FilmWorks, Inc.

Name of intervenor

4/29/99

Date



[Signature of Representative]

William J. Olson

John S. Milles

Alan Woll

John Callender

WILLIAM J. OLSON, P.C.

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BUSINESS REPLY MAIL, 1999

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SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

Time Warner Inc.

Name of Intervenor

April 26, 1999

Date



[Signature of Representative]

John M. Burzio

BEFORE THE
POSTAL RATE COMMISSION
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RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
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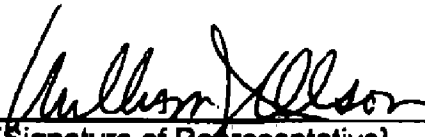
SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

York Photo Labs

Name of Intervenor

4/29/99

Date



[Signature of Representative]
William J. Olson
John S. Miles
Alan Woll
John Callender
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
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Counsel for District Photo Inc., York Photo Labs,
Mystic Color Lab, and Seattle FilmWorks, Inc.

Proposed Domestic Mail Classification Schedule § 931 and Fee Schedule 931 Changes

[Proposed additions are underlined. Proposed deletions are stricken through.]

930 PAYMENT ALTERNATIVES

931 BUSINESS REPLY MAIL

931.1 Definitions

931.11 Business reply mail is a service whereby business reply cards, envelopes, cartons and labels may be distributed by or for a business reply distributor for use by mailers for sending First-Class Mail without prepayment of postage to an address chosen by the distributor. A distributor is the holder of a business reply license.

931.12 A business reply mail piece is nonletter-size for purposes of this section if it meets addressing and other preparation requirements, but does not meet the machinability requirements specified by the Postal Service for mechanized or automated letter sortation.

This provision expires ~~June 7, 1999~~ February 29, 2000, or upon implementation of permanent fees for nonletter-size business reply mail, whichever comes first.

931.2 Description of Service

931.21 The distributor guarantees payment on delivery of postage and fees for all returned business reply mail. Any distributor of business reply cards, envelopes, cartons and labels under any one license for return to several addresses guarantees to pay postage and fees on any returns refused by any such addressee.

931.3 Requirements of the Mailer

931.31 Business reply cards, envelopes, cartons and labels must be preaddressed and bear business reply markings.

931.32 Handwriting, typewriting or handstamping are not acceptable methods of preaddressing or marking business reply cards, envelopes, cartons, or labels.

931.4 Fees

- 931.41 The fees for business reply mail are set forth in Fee Schedule 931.
- 931.42 To qualify as an active business reply mail advance deposit trust account, the account must be used solely for business reply mail and contain sufficient postage and fees due for returned business reply mail.
- 931.43 An accounting fee as set forth in Fee Schedule 931 must be paid each year for each advance deposit business reply account at each facility where the mail is to be returned.

~~931.5 Experimental Reverse Manifest Fees~~

- ~~931.51 A set-up/qualification fee as set forth in Fee Schedule 931 must be paid by each business reply mail advance deposit trust account holder at each destination postal facility at which it applies to receive nonletter-size business reply mail for which the postage and fees will be accounted for through a reverse manifest method approved by the Postal Service for determining and verifying postage.~~

~~A distributor must pay this fee for each business reply mail advance deposit trust account for which participation in the nonletter-size business reply mail experiment is requested.~~

~~This provision expires June 7, 1999.~~

- ~~931.52 A nonletter-size reverse manifest monthly fee as set forth in Fee Schedule 931 must be paid each month during which the distributor's reverse manifest account is active.~~

~~This fee applies to the (no more than) 10 advance deposit account holders which are selected by the Postal Service to participate in the reverse manifest nonletter-size business reply mail experiment and which utilize reverse manifest accounting methods approved by the Postal Service for determining and verifying postage and fees.~~

~~This provision expires June 7, 1999.~~

931.6 Experimental Weight Averaging Fees

931.61 ~~[RESERVED] A set-up/qualification fee as set forth in Fee Schedule 931 must be paid by each business reply mail advance deposit trust account holder at each destination postal facility at which it applies to receive nonletter-size business reply mail for which the postage and fees will be accounted for through a weight averaging method approved by the Postal Service for determining and verifying postage.~~

~~A distributor must pay this fee for each business reply mail advance deposit trust account for which participation in the nonletter-size business reply mail experiment is requested.~~

~~This provision expires June 7, 1999.~~

931.62 A nonletter-size weight averaging monthly fee as set forth in Fee Schedule 931 must be paid each month during which the distributor's weight averaging account is active.

This fee applies to the (no more than) 10 advance deposit account holders which are selected by the Postal Service to participate in the weight averaging nonletter-size business reply mail experiment.

This provision expires ~~June 7, 1999.~~ February 29, 2000, or upon implementation of permanent fees for nonletter-size business reply mail, whichever comes first.

931.7 Authorizations and Licenses

931.71 In order to distribute business reply cards, envelopes, cartons or labels, the distributor must obtain a license or licenses from the Postal Service and pay the appropriate fee as set forth in Fee Schedule 931.

931.72 Except as provided in section 931.73, the license to distribute business reply cards, envelopes, cartons, or labels must be obtained at each office from which the mail is offered for delivery.

931.73 If the business reply mail is to be distributed from a central office to be returned to branches or dealers in other cities, one license obtained from the post office where the central office is located may be used to cover all business reply mail.

- 931.74 The license to mail business reply mail may be canceled for failure to pay business reply postage and fees when due, and for distributing business reply cards or envelopes that do not conform to prescribed form, style or size.
- 931.75 Authorization to pay experimental nonletter-size business reply mail fees as set forth in Fee Schedule 931 may be canceled for failure of a business reply mail advance deposit trust account holder to meet the standards specified by the Postal Service for the ~~applicable reverse manifest or weight averaging~~ accounting method.

This provision expires ~~June 7, 1999.~~ February 29, 2000, or upon implementation of permanent fees for nonletter-size business reply mail, whichever comes first.

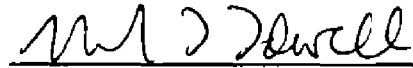
FEE SCHEDULE 931**BUSINESS REPLY MAIL**

| | Fee |
|--|---------------------------------|
| Active business reply advance deposit account: | |
| Per piece | |
| Qualified | \$0.05 |
| Nonletter-size, using reverse manifest (experimental) | \$0.02 |
| Nonletter-size, using weight averaging (experimental) | \$0.03 <u>\$0.01</u> |
| Other | \$0.08 |
| Payment of postage due charges if active business reply mail advance deposit account not used: | |
| Per piece | \$0.30 |
| Annual License and Accounting Fees: | |
| Accounting Fee for Advance Deposit Account | \$300 |
| Permit fee (with or without Advance Deposit Account) | \$100 |
| Monthly Fees for customers using a reverse manifest or weight averaging for nonletter-size business reply | |
| Nonletter-size, using reverse manifest (experimental) | \$1,000 |
| Nonletter-size, using weight averaging (experimental) | \$3,000 <u>\$600</u> |
| Set-up/Qualification fee for customers using a reverse manifest or weight averaging for nonletter-size business reply | |
| Nonletter-size, using reverse manifest (experimental) | \$1,000 |
| Nonletter-size, using weight averaging (experimental) | \$3,000 |

1 Experimental per piece, and monthly, and set-up/qualification fees are applicable only to participants selected by the Postal Service for the nonletter-size business reply mail experiment. The experimental fees expire June 7, 1999-February 29, 2000, or upon implementation of permanent fees for weight-averaged nonletter-size business reply mail, whichever comes first.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing documents upon all participants of record in Postal Rate Commission Docket No. MC99-1 in accordance with section 12 of the Rules of Practice and Procedure.

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
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(202) 268-2998; Fax -5402
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Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

A handwritten signature in dark ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
April 30, 1999
(Tel: (202) 268-2998/ FAX: -5402)

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² On March 10, 1999, under 39 U.S.C. §§ 3622 and 3623, the Postal Service filed a request with the Commission, designated as Docket No. MC99-2, seeking to establish a permanent classification and fees for weight-averaged nonletter-size Business Reply Mail.

³ And any materials incorporated therein by reference.

docket,⁴ and the Postal Service's Docket No. MC99-1 Request and the attachments thereto, provide sufficient reasons and substantial evidence justifying a decision recommending changes (at the end of the existing experiment expiring June 7, 1999) to the Domestic Mail Classification Schedule (DMCS) § 931 and the DMCS Fee Schedule 931 sought by the Postal Service in Docket No. MC99-1, as amended by the DMCS and Fee Schedule provisions appended to this Revised Stipulation and Agreement. The undersigned parties stipulate that any of the aforementioned materials not heretofore entered into the Docket No. MC99-1 evidentiary record be so entered.

3. On the basis of such record, for purposes of this proceeding only, the undersigned parties stipulate that the DMCS and Fee Schedule changes set forth in the Attachment to this Revised Stipulation and Agreement are in accordance with the policies of title 39, United States Code, and in particular, the criteria and factors of 39 U.S.C. §§ 3622 and 3623.

4. This Revised Stipulation and Agreement is offered in total and final settlement of this proceeding. The undersigned parties agree that they will file no further pleadings or testimony with the Commission in this proceeding, with the exception of: (a) pleadings or testimony explicitly requested by the Commission or in reply to such pleadings; (b) pleadings or testimony opposing pleadings or testimony filed in opposition to this Stipulation and Agreement; or (c) pleadings, testimony or comments in support of this Stipulation and Agreement.

⁴ The April 5, 1999, responses to OCA/USPS-T1-1 through 7; the April 7, 1999, responses to OCA/USPS-T1-8 through T1-18; and the April 16, 1999, responses to OCA/USPS-T1-19 through T1-32 (as amended on April 26, 1999), all of which have been filed with the Commission and served on the parties.

5. If the Commission adopts a Recommended Decision that deviates from the classification and fees proposed in this Revised Stipulation and Agreement, or if the Governors of the Postal Service fail to approve the Commission's Recommended Decision, then each signatory reserves the right to withdraw from this Revised Stipulation and Agreement. Any signatory withdrawing under the terms of this paragraph must provide written notice of this fact to all parties within five (5) business days of the occurrence of the specific event giving rise to the right to withdraw. Any exercise of such right by one or more signatories shall not affect the operation of this Revised Stipulation and Agreement as to other signatories.

6. This Revised Stipulation and Agreement pertains only to the instant proceeding and does not extend to merits of the concurrent Docket No. MC99-2 proposal to establish a permanent classification and fees for weight-averaged nonletter-size Business Reply Mail. The parties shall not be considered as necessarily agreeing with or conceding the applicability of any principle, or any method of classification or ratemaking or cost of service determination, or design of rate or fee schedule or term, and conditions of service, or the application of any rule or interpretation of law, that may underlie, or be thought to underlie, this Revised Stipulation and Agreement.

7. In any future negotiation or proceeding (other than any proceedings involving the honoring, enforcement, or construction of this Revised Stipulation and Agreement), the parties shall not be bound or prejudiced by this Revised Stipulation and Agreement, nor shall any party rely for any purpose on the fact that another party entered into or did not oppose this Revised Stipulation and Agreement. The undersigned parties also agree that, to the extent that matters presented in the Docket

No. MC99-1 Request, in any Commission Recommended Decision on that Request, or in any decision of the Governors of the Postal Service in this proceeding have not actually been litigated, the resolution of such matters will not be entitled to precedential effect in any other proceeding.

8. As fully stated above, the agreement of the parties is intended to relate exclusively to the specific experimental weight-averaged nonletter-size Business Reply Mail proposals reflected in the proposed Domestic Mail Classification Schedule and Fee Schedule provisions appended hereto, and is not intended to bind or prejudice the parties in any other proceeding. This understanding of the intended consequences of the agreement applies equally to all constituent parts of the agreement.

9. The undersigned parties request that the Commission expeditiously issue a decision recommending adoption of the DMCS and Fee Schedule provisions appended to this Revised Stipulation and Agreement, and that such decision propose that the applicable classification and fees be made effective for the extension of the experiment.

10. This Revised Stipulation and Agreement represents the entire agreement of the signatories, and supersedes any understandings or representations not contained herein.

* Signature pages are attached.

Proposed Domestic Mail Classification Schedule § 931 and Fee Schedule 931 Changes

[Proposed additions are underlined. Proposed deletions are stricken through.]

930 PAYMENT ALTERNATIVES

931 BUSINESS REPLY MAIL

931.1 Definitions

931.11 Business reply mail is a service whereby business reply cards, envelopes, cartons and labels may be distributed by or for a business reply distributor for use by mailers for sending First-Class Mail without prepayment of postage to an address chosen by the distributor. A distributor is the holder of a business reply license.

931.12 A business reply mail piece is nonletter-size for purposes of this section if it meets addressing and other preparation requirements, but does not meet the machinability requirements specified by the Postal Service for mechanized or automated letter sortation.

This provision expires ~~June 7, 1999~~ February 29, 2000, or upon implementation of permanent fees for nonletter-size business reply mail, whichever comes first.

931.2 Description of Service

931.21 The distributor guarantees payment on delivery of postage and fees for all returned business reply mail. Any distributor of business reply cards, envelopes, cartons and labels under any one license for return to several addresses guarantees to pay postage and fees on any returns refused by any such addressee.

931.3 Requirements of the Mailer

931.31 Business reply cards, envelopes, cartons and labels must be preaddressed and bear business reply markings.

931.32 Handwriting, typewriting or handstamping are not acceptable methods of preaddressing or marking business reply cards, envelopes, cartons, or labels.

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

"RECEIVED"
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

RENEWAL OF CLASSIFICATION AND FEES FOR
WEIGHT-AVERAGED NONLETTER-SIZE
BUSINESS REPLY MAIL, 1999

Docket No. MC99-1

MOTION FOR CONSIDERATION OF REVISED STIPULATION AND AGREEMENT
(April 30, 1999)

The United States Postal Service and each of the signatories to this motion (collectively, with the Postal Service, the "settlement parties") hereby submit an executed Revised Stipulation and Agreement, representing a negotiated settlement by the signatories of all issues raised in this proceeding.¹ The settlement parties request that the Postal Rate Commission issue an opinion and recommended decision which is based upon the evidentiary record developed in this proceeding and which incorporates the Domestic Mail Classification Schedule and Fee Schedule changes contained in the Attachment which accompanies the Revised Stipulation and Agreement.

There have been off-the-record settlement discussions among the parties to this proceeding.² Although the Postal Service believes that there is substantial record evidence to support the Domestic Mail Classification Schedule and Fee Schedule

¹ This Revised Stipulation and Agreement supersedes the Stipulation and Agreement originally submitted in this proceeding on March 10, 1999.

² The first settlement conference was held on April 6, 1999, in accordance with PRC Order No. 1223 (March 16, 1999). The second conference was held on April 20, 1999, following a technical conference scheduled that day. In addition to telephone discussions and e-mail message exchanges, all parties of record (or their counsel) received correspondence from the Postal Service, dated May 22, 1999, requesting that they either become signatories to the Revised Stipulation and Agreement or that they not oppose it.

No. MC99-1 Request, in any Commission Recommended Decision on that Request, or in any decision of the Governors of the Postal Service in this proceeding have not actually been litigated, the resolution of such matters will not be entitled to precedential effect in any other proceeding.

8. As fully stated above, the agreement of the parties is intended to relate exclusively to the specific experimental weight-averaged nonletter-size Business Reply Mail proposals reflected in the proposed Domestic Mail Classification Schedule and Fee Schedule provisions appended hereto, and is not intended to bind or prejudice the parties in any other proceeding. This understanding of the intended consequences of the agreement applies equally to all constituent parts of the agreement.

9. The undersigned parties request that the Commission expeditiously issue a decision recommending adoption of the DMCS and Fee Schedule provisions appended to this Revised Stipulation and Agreement, and that such decision propose that the applicable classification and fees be made effective for the extension of the experiment.

10. This Revised Stipulation and Agreement represents the entire agreement of the signatories, and supersedes any understandings or representations not contained herein.

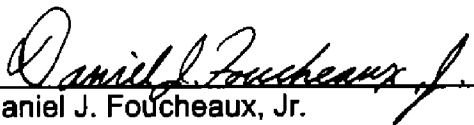
* Signature pages are attached.

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
FEES FOR WEIGHT-AVERAGED NONLETTER-SIZE
BUSINESS REPLY MAIL, 1999

Docket No. MC99-1

SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT


Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking
United States Postal Service

April 30, 1999
Date

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
FEES FOR WEIGHT-AVERAGED NONLETTER-SIZED
BUSINESS REPLY MAIL, 1999

DOCKET No. MC99-1

SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

District Photo Inc.

Name of Intervenor

Date

4/29/99


[Signature of Representative]

William J. Olson

John S. Miles

Alan Woll

John Callender

WILLIAM J. OLSON, P.C.

8180 Greensboro Drive, Suite 1070

McLean, Virginia 22102-3823

(703) 356-5070

Counsel for District Photo Inc., York Photo Labs,
Mystic Color Lab, and Seattle FilmWorks, Inc.

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
FEES FOR WEIGHT-AVERAGED NONLETTER-SIZED
BUSINESS REPLY MAIL, 1999

DOCKET No. MC99-1

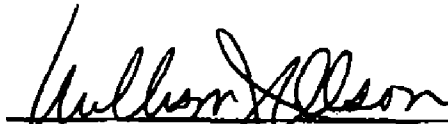
SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

Mystic Color Lab

Name of Intervenor

4/29/99

Date



[Signature of Representative]

William J. Olson

John S. Miles

Alan Woll

John Callender

WILLIAM J. OLSON, P.C.

8180 Greensboro Drive, Suite 1070

McLean, Virginia 22102-3823

(703) 356-5070

Counsel for District Photo Inc., York Photo Labs,
Mystic Color Lab, and Seattle FilmWorks, Inc.

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
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BUSINESS REPLY MAIL, 1999

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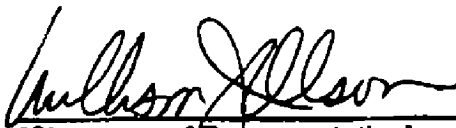
SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

Seattle FilmWorks, Inc.

Name of Intervenor

Date

4/29/99



[Signature of Representative]

William J. Olson

John S. Miles

Alan Woll

John Callender

WILLIAM J. OLSON, P.C.

8180 Greensboro Drive, Suite 1070

McLean, Virginia 22102-3823

(703) 356-5070

Counsel for District Photo Inc., York Photo Labs,
Mystic Color Lab, and Seattle FilmWorks, Inc.

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
FEES FOR WEIGHT-AVERAGED NONLETTER-SIZE
BUSINESS REPLY MAIL, 1999

Docket No. MC99-1

SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

Time Warner Inc.

Name of Intervenor

April 26, 1999

Date



(Signature of Representative)

John M. Burzio

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RENEWAL OF EXPERIMENTAL CLASSIFICATION AND
FEES FOR WEIGHT-AVERAGED NONLETTER-SIZED
BUSINESS REPLY MAIL, 1999

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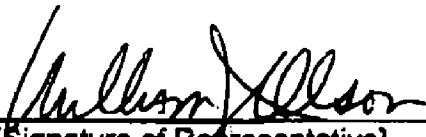
SIGNATURE PAGE FOR REVISED STIPULATION AND AGREEMENT

York Photo Labs

Name of Intervenor

4/29/99

Date



[Signature of Representative]
William J. Olson
John S. Miles
Alan Woll
John Callender
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3823
(703) 356-5070

Counsel for District Photo Inc., York Photo Labs,
Mystic Color Lab, and Seattle FilmWorks, Inc.

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